

22 March 2006

Peterson Transport
Mr. Ben Peterson
16854 Severo Place
Encino, CA 91436

Re: Insurance Claim – Pending
Our 95543035/Delivery 85430304 dated July 5, 2005

Dear Mr. Peterson:

Kindly accept this letter as official notification to file claim for the above shipment which was scheduled to depart Berkeley, California on July 5, 2005.

The shipment was cancelled the same day when Peterson Transport inadvertently moved the truck and container #RKN21303PC fell off the truck. Shipment of both containers was cancelled for re-evaluation by our QA department.

As a result of the incident evaluation, the contents of container #21303PC must be destroyed. Therefore, kindly proceed with our claim covering at minimum 9000 vials of lot 27N0P41 (product 378-83) for approx US dollars \$4,690,128.23 (original billing was done in EURO) plus any accessorial charges involved prior to shipment cancellation.

Sincerely,


Christine Buchanan
Mgr, Export Compliance & Customer Operations
Bayer Corporation – Biological Products
800 Dwight Way
Berkeley, CA 94708